

Meeting Summary

Agency: Maryland Energy Administration (MEA)

The following is a summary of the issues that were discussed at the MEA Stat on January 9th, 2014. Analysis is provided by StateStat.

- **Director Hopper's Opening Remarks.** Last month's MEA stat meeting was cancelled due to the inclement weather. MEA reported on developments in the past two months. On Dec. 17th, Governor O'Malley and the Secretary of the Interior held an event in Baltimore where DOI announced the sale notice for the Offshore Wind Area. Governor O'Malley also announced grants being offered to local businesses who want to enter into the offshore wind supply chain, paid for by the Offshore Wind Development Fund. At least 100 businesses were in attendance, MEA reported.
- MEA's budget amendment was approved on December 19th. This was the fourth attempt according to ACoS Campbell.
- There are several major pieces of energy legislation approaching this session, including on RPS, Black Liquor, and community-based energy generation. As a follow up item, the agency will provide highlights on major legislation this session. StateStat Director Power asked if there is any legislation on natural gas this session. MEA Director Hopper replied no.
- **MEA and DPSCS Bringing Solar Panels to Seven Prisons.** As part of continuing actions to reach Maryland's in-state renewable energy generation goal of 20 percent by the end of 2022, the Maryland Energy Administration (MEA) and the Department of Public Safety and Correctional Services (DPSCS) have identified seven prisons for solar roofing projects. The energy generated will be used to heat water at these prisons. MEA is also meeting with the Department of Juvenile Services (DJS) this month to identify DJS facilities best suited to solar water heating projects.
- MEA offers a wide array of grant funding for solar voltaic installations and solar water heating projects through its Residential Clean Energy Grant Program and Commercial Clean Energy Grant Program. The funding can help to offset costs for single-family residential, multi-family residential, commercial, non-profit, or industrial solar projects— as well as wind, geothermal, and other types of renewable energy. Learn more about MEA's grants and incentives: MEA Incentives.
- **MEA's Unmet 2013 Milestones.** MEA's most recent report on its monthly milestones shows that the agency was on track for almost all of its major projects as of the end of December 2013. The only four programs for which MEA fell behind December targets have their monthly milestones shown below.
- **Offshore Wind.** MEA had a survey vessel charting the Maryland Offshore Wind Area this summer. The agency is now on track to finalize their report later in January. MEA will need a few days to review the final report, but the program manager has worked with MEA closely, so MEA is not expecting the need for major reviews.
- **Geothermal Activities.** There are 14,634.7 tons of Geothermal capacity statewide, shy of the end of 2013 goal of 15,000 tons. Dir. Hopper characterized this program as difficult because

MEA does not have a lot control over how much GHC energy customers choose to buy. The Governor's Legal Office asked how MEA advertises for geothermal energy. MEA reported on group called MAGIC which reaches out to geothermal stakeholders in the Mid-Atlantic. MEA is concerned that MAGIC is only reporting a third of its total geothermal energy. As a follow up item MEA will be asked to detail how it is encouraging MAGIC to report all installed geothermal capacity.

MEA Programs with Unmet Monthly Milestones, End of CY2013					
Categories		Wind	Geothermal	Transportation	State Buildings
Description		Activities to promote land-based and offshore wind to meet RPS	Activities to promote geothermal	Multiple programs to reduce dependence on oil	Implement programs, in partnership with DGS, to promote energy efficiency at State Agency buildings to reach EmPOWER Goal
Program Milestones (CY2013) (highlight green when completed)					Sign completed Contract with U of Maryland for \$1.5M SALP loan
	Jan				
	Feb	Fourmile Ridge CPCN Exemption Petition			Final contracts with all vendors signed
		Sign MOU with UMBC, support LIDAR program	Convene meeting with GHC industry to start work on GHC Market Development Plan	Estimated 100 EV tax credits issued	Completed plan for training and doing assessments at small-medium sized "model" buildings; Develop program plan for Better Buildings Challenge
	Mar	Approve DNR Task Order 5			
			Track installed GHC capacity goal of additional 750 tons in Q1, total of 13,250 tons	Estimated 5 EV Vouchers issued	Identify how Better Buildings Challenge and State Buildings Challenge goals complement each other Roadmap written
	Apr	Pass OSW legislation			
		CPCN Exemption for Fourmile Ridge		Estimated 12 EVSE tax credits issued	Finalize training material for SEP grant; Identify showcase project with DGS and UMD for Better Buildings Challenge
	May				
		Review draft report of Game Changers Community Wind		Estimated 100 EV tax credits issued	Send out applications to state agencies for FY 2014 SALP loans; Outreach and develop timeline for training for SEP grant program
	June	Begin the Geophysical Excursion			
			Track installed GHC capacity goal of additional 750 tons for Q2, total of 14,000 tons	Estimated 5 CNG vouchers issued	
	July				
				Estimated 12 EVSE tax credits issued	Review SALP loan applications and select agencies to participate
	Aug				
		Work with BOEM to conduct lease sale auction of MD Wind Energy Area		Estimated 100 EV tax credits issued	Conduct training sessions for SEP grant; Begin implementation of Better Buildings Challenge showcase project
	Sept				
		Support construction start for Fourmile Ridge	Track installed GHC capacity goal of additional 750 tons for Q3, total of 14,750 tons	Estimated 5 CNG vouchers issued	Identify buildings to include in Better Buildings Challenge with DGS and UMD
	Oct				
		Review final report from geophysical survey	Distribute draft GHC Market Development Plan.	Estimated 12 EVSE tax credits issued	Sign two SALP Loan contracts
	Nov				Conduct building audits for SEP grant;
			Track installed GHC capacity goal of additional 750 tons for Q4, total of 15,500 tons		Evaluate training sessions to-date for SEP grant; Update DOE on process of Better Buildings Challenge
	Dec				

- OLA Audit of MEA has No Findings.** The Office of Legislative Audits published an audit of MEA on November 22nd, for the period of June 1st 2010 to May 12th 2013. The audit is included as the attached file "OLA Audit MEA 2013." The audit had no findings significant enough to include in the report, with one minor finding communicated to MEA outside of the report. Both of MEA's findings from the previous audit were found to have been addressed satisfactorily. MEA reported that took its recent federal audits as an opportunity to further train its staff on how to completely adhere to operating standards put forth by OLA.
- MEA's MBE Participation Strong Overall.** MBE reports that from July to October of 2013, MEA awarded 24.24 percent of its total contracts to MBE businesses. MBE sees this percentage as high, close to its aspirational goal of 29 percent. While corporate credit card and direct voucher expenditures have low percentages of participation, these categories

account for \$548,461 of \$7,428,740 in total contracts awarded by MEA – only 7.4 percent of total awards. Therefore these categories are not driving MEA's total MBE awards.

- GOMA will communicate MEA's upcoming grants announcements to MBE. GOMA encouraged MEA to reach out to GOMA if MEA needs assistance with MBE or SBR (Small Business Reserve) awards.

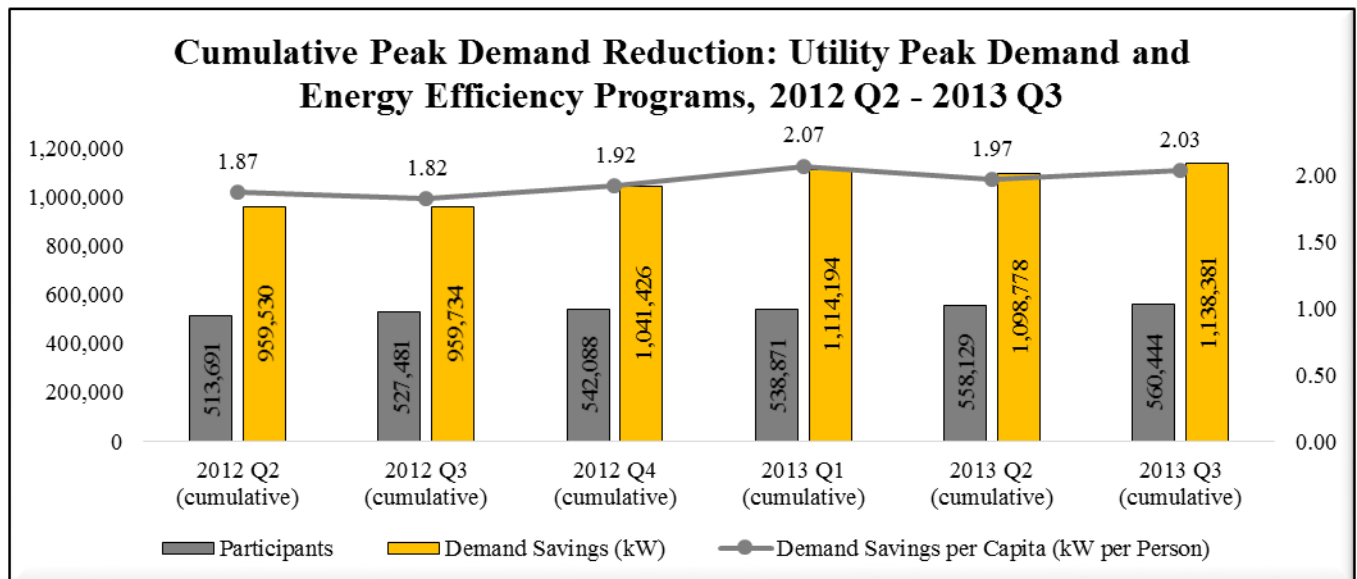
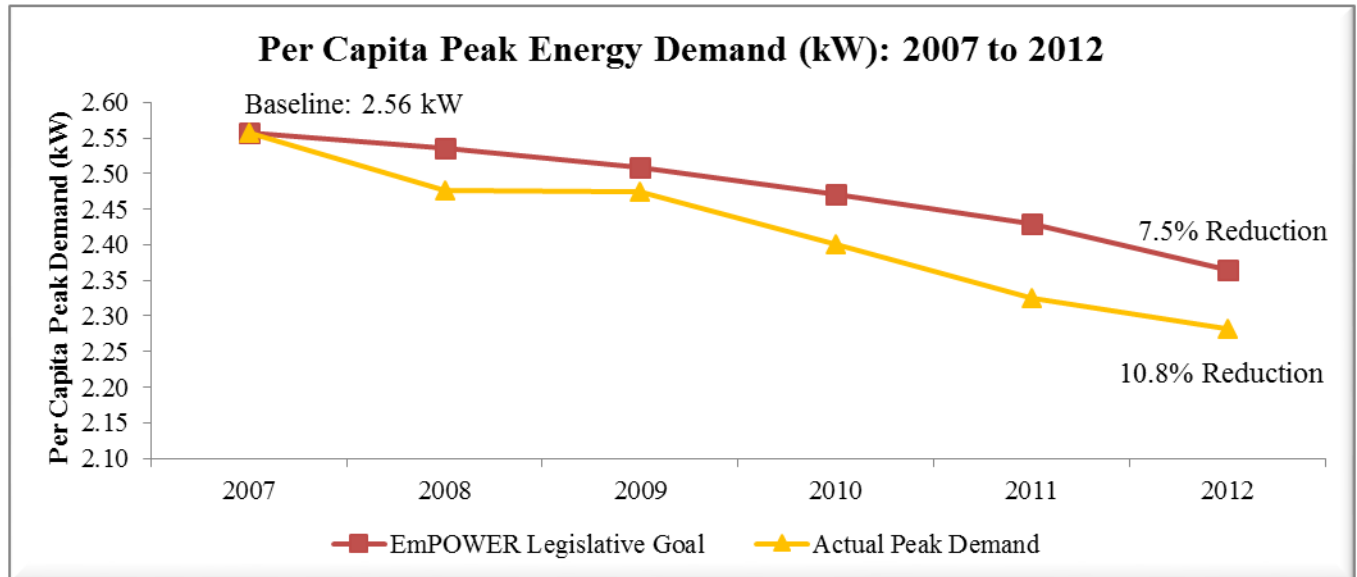
Minority Business Enterprise Monthly Procurement Report: MEA

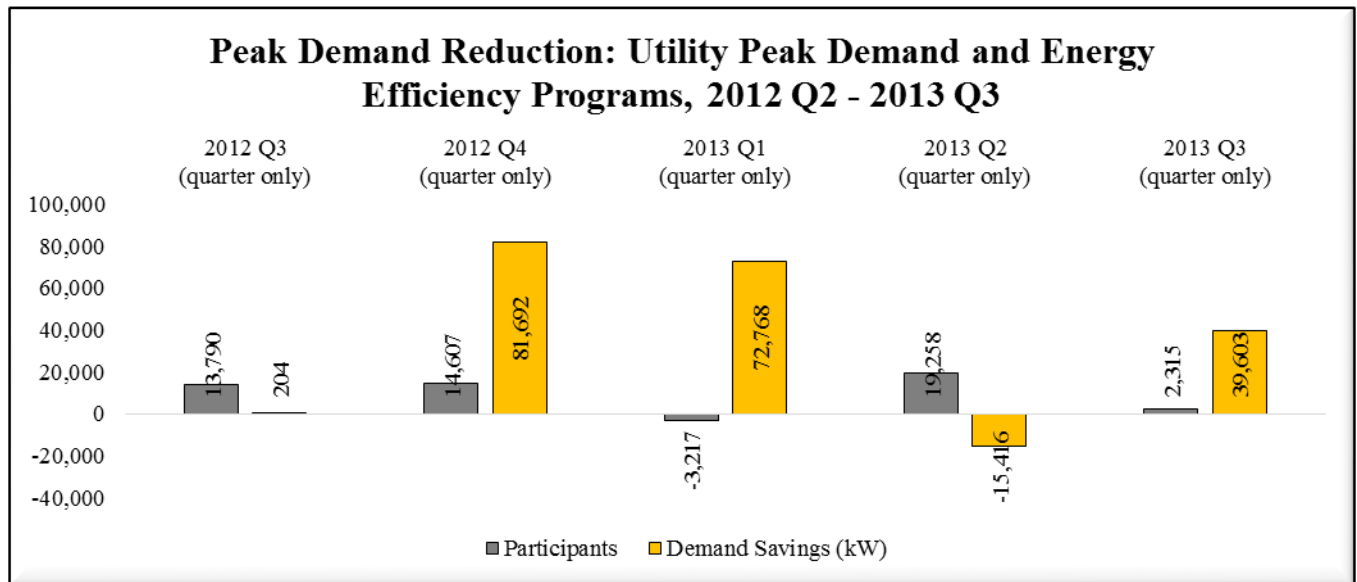
FYTD2014: July-October 2013

Procurement Category	Total # All Prime Contracts (Including)	Total All Prime Contracts Dollar Value Awarded (Including MBE)	Total # of Prime Contract Waivers	Total Dollar Value of Prime Contract Waivers	Total # MBE Prime Contracts Awarded	Total MBE Prime Contract Dollar Value Awarded	Total # MBE Subcontracts Awarded	Total MBE Subcontract Dollar Value Awarded	Total # of MBE Contracts Awarded-	Total \$ of MBE Contracts Awarded- Prime & Sub	Total MBE Participation Percentage
Architectural					0	\$0	0	\$0	0	\$0	0.00%
Engineering					0	\$0	0	\$0	0	\$0	0.00%
Construction					0	\$0	0	\$0	0	\$0	0.00%
Construction Related Services					0	\$0	0	\$0	0	\$0	0.00%
Maintenance					0	\$0	0	\$0	0	\$0	0.00%
Services	21	\$6,558,207			5	\$110,659	4	\$1,570,000	9	\$1,680,659	25.63%
Supplies & Equipment	7	\$20,933			2	\$3,824	0	\$0	2	\$3,824	18.27%
IT Services	9	\$230,727			3	\$79,404	0	\$0	3	\$79,404	34.41%
IT Supplies & Equipment	13	\$70,412			4	\$9,569	0	\$0	4	\$9,569	13.59%
Human, Cultural, Social & Educational Services					0	\$0	0	\$0	0	\$0	0.00%
Corporate Credit Card	428	\$217,055			12	\$4,865			12	\$4,865	2.24%
Direct Voucher	234	\$331,406			24	\$22,692			24	\$22,692	6.85%
Totals	712	\$7,428,740	0	\$0	50	\$231,013	4	\$1,570,000	54	\$1,801,013	24.24%

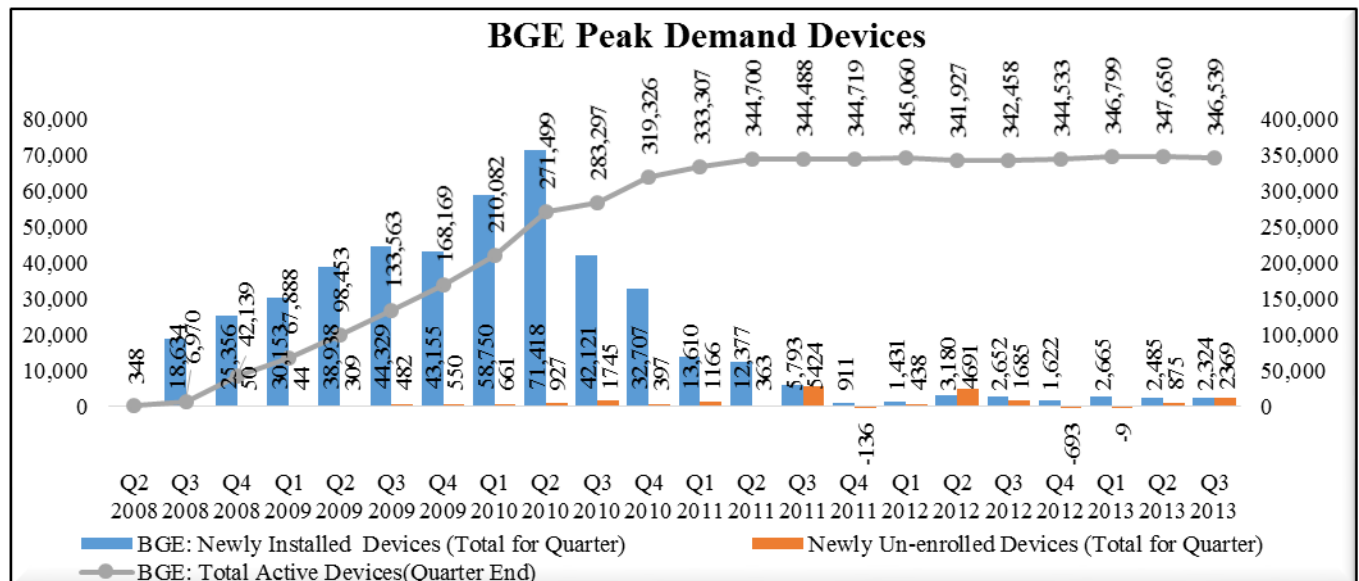
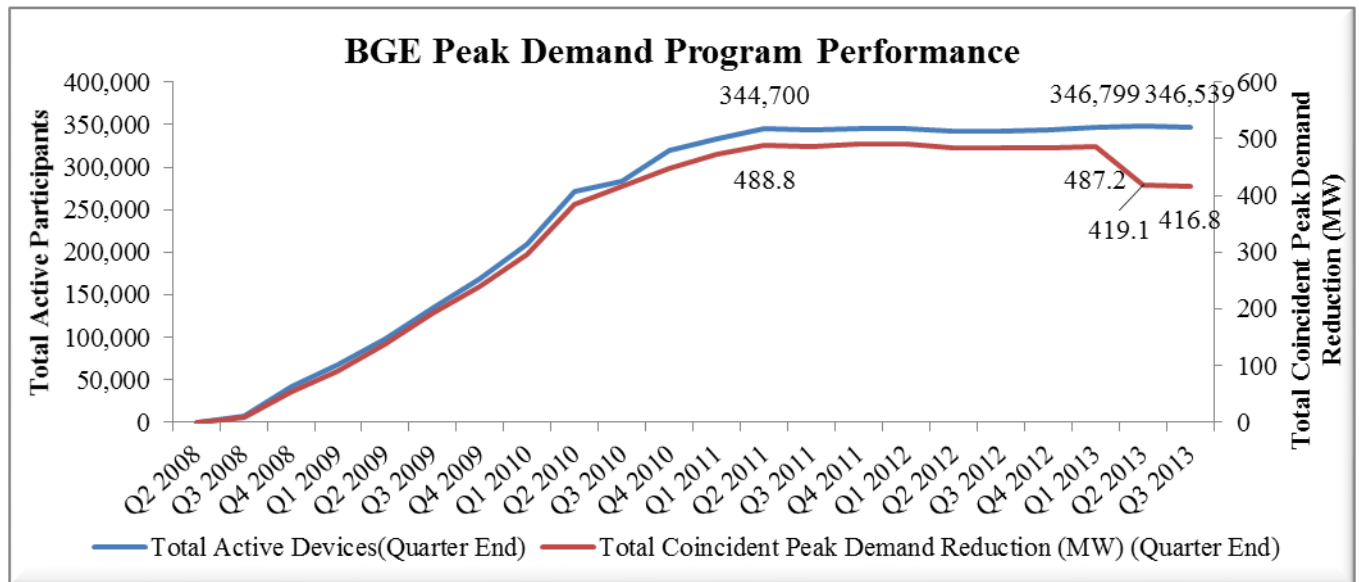
- **MEA News Site Rarely Updated.** The agency's primary website for news items, <http://energy.maryland.gov/news.html>, has only two articles over the previous six months: one from August and one from October. In March 2013 and prior, new news items were posted every several days. Dir. Hopper reported that a new Director of Communications started work in November. She has been working on a larger communication policy which includes the MEA website. MEA is also planning on expanding its social media presence. MEA is still undergoing its website redesign to match the rest of maryland.gov. The social media expansion will be part of this and the Director of Communications will play an integral role. MEA is reviewing website templates with MES, a vendor, next week. MEA's IT Director and the Director of Communications will be in attendance. MEA is hoping to have the new site and features launched within the next several months.
- **Q3 Increase in Peak Demand Savings.** Overall MEA is meeting the Strategic Goal on per capita peak demand each year, as seen in the first graph below. The agency reports peak energy demand reduction in kW each quarter, as well as the number of people participating in the Peak Demand Reduction Program. At the previous stat (November 12th) MEA was asked why Q2 data show less energy savings than in Q1. This negative Q2 energy savings is shown in the third graph below.
- MEA responded in its follow-up responses to that meeting that the decreased savings in Q2 2013 is driven by BGE's data. MEA discussed this decline with BGE, which explained it was required by PJM Interconnection to conduct an operability study last quarter, leading to a revised peak demand statistic. The study found that 86% of BGE's devices were functioning properly and 14% were inoperable. Therefore BGE revised its cumulative peak demand progress downwards to discount data from malfunctioning units. BGE is working with

customers with inoperable devices to repair or reconnect them. See the next section for more information on operability studies.

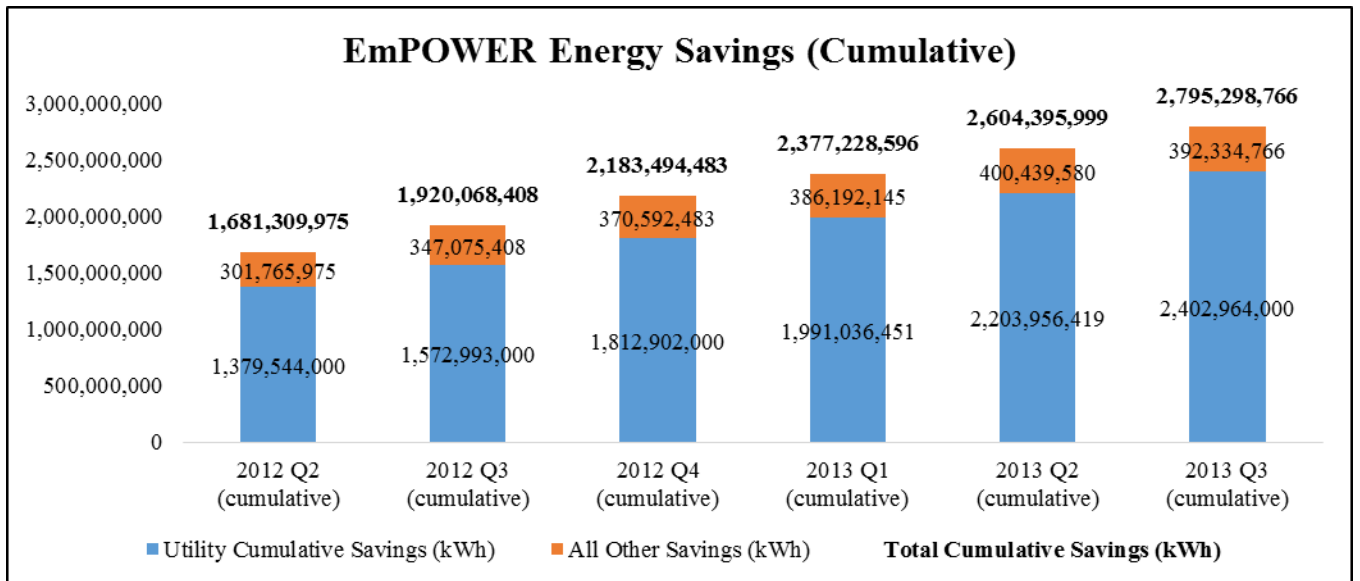
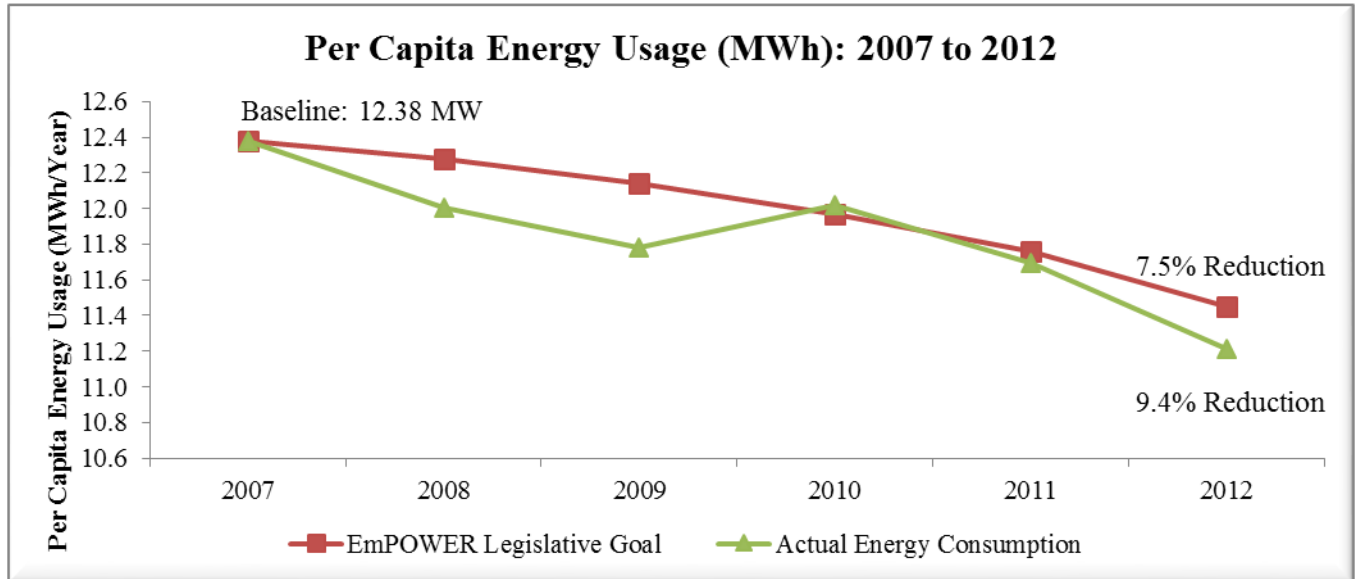


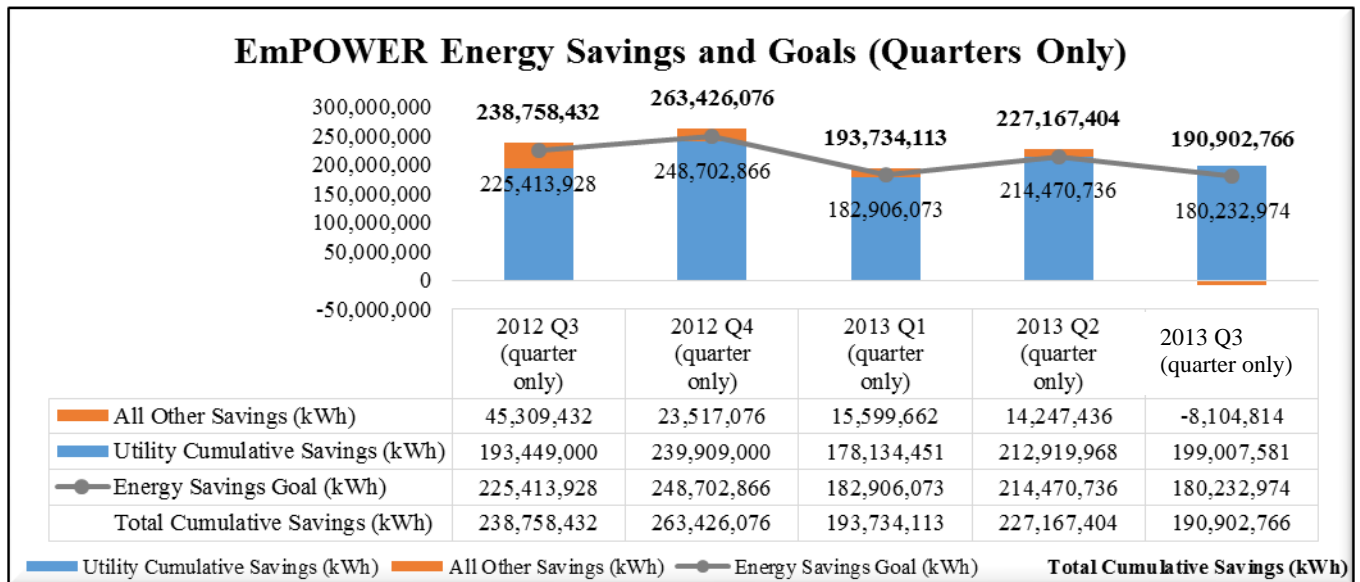


- Operability Studies for Peak Rewards Program.** PJM Interconnection, a Regional Transmission Organization (RTO), requires periodic operability studies for Maryland's utilities. The study mentioned in the previous section was BGE specific but other facilities have gone through the same studies and/or are planning to, MEA reported. The 14 percent adjustment downwards for BGE shows units which were installed but at one point disconnected. Many of these are older units, in the order of ten years old according to MEA. Dir. Power asked how the percentage of inoperable units is determined by PJM. Dan Lauf responded that the utilities look at some or all of their units and perform tests on them. These are mostly residential units, Dir. Hopper noted. These tests will be held zero to two times a year for each utility. Peak Rewards customers have dollar savings on their bills ***until the utility or PJC finds that the device is inoperable.*** As a follow up item MEA will ask BGE to respond on how it determines what percentage of its units are inoperable, i.e., random samples or testing every unit. As another follow up item the agency will respond when the other utilities have their next operability studies.



- Less EmPOWER Energy Savings in Q3 than Q2.** MEA continued its consistent progress towards the Strategic Goal on per capita energy usage in Q3, again meeting its quarterly energy savings goal. However, Q3 energy savings were less than Q2's. Non-utility energy savings were negative in Q3, with -8,104,814 saved kWh. MEA responded it is reaching out to more commercial customers. More details are included in the next section.





- EmPOWER Finance Group Reaching out to Commercial Customers.** The two largest utilities are now offering advances for commercial customers. MEA emphasized that these are not loans. MEA expects that the other utilities will also participate. The Public Service Commission (PSC) previously rejected a proposal for residential advances, and approved a Small Business program for EmPOWER in May 2013. Small business is defined as a function of energy use. In BGE territory, the cutoff for eligibility is 60 kW demand, e.g., corner stores, small shops, etc. Pepco's cutoff is 100 kW – representing 80 percent of all commercial customers in their territory. NGOs and local governments also count as these “small business accounts” – therefore, it would be more accurate to say small customers. Dir. Hopper suggested media and advertising for EmPOWER once BGE and Pepco's programs are fully off the ground, with the aim of driving up EmPOWER participation further. BGE has \$2.5 million for this project, MEA reported.
- Residential Home Retrofits: Retroactive Data Adjustments in Q2 from Pepco Data.** For residential home retrofit energy savings data, Director Power also asked whether the data provided by the utilities show estimates, actual measures, or revised actuals. Given that all (or most) of MEA's data are subject to revision, Dir. Power suggested clarifying on the MEA data template which data are estimates – and which will be subject to future revisions. MEA responded that it has internally discussed adding such caveats, as recently as yesterday. MEA agreed to do this as a follow up item.